

FRED A. MORETON & COMPANY

INSURANCE — SURETY BONDS — EMPLOYEE BENEFITS

RECEIVED
MAY 17 1990

DIVISION OF
OIL, GAS & MINING

April 6, 1990

TO: Pamela Grubaugh-Littig, Permit Supervisor
State of Utah
Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

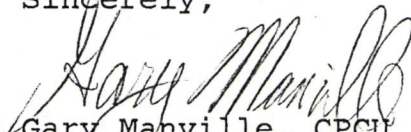
RE: Interstate Brick Company
Five Mile Pass Mine, Permit #/M/045/006
Original Bond: " Seaboard Surety
Company
Replacement Bond: St. Paul Fire &
Marine Insurance Company

Dear Ms. Grubaugh-Littig:

The attached bond is being issued as a replacement for the original. As you know, the ownership of Interstate Brick changed, effective March 26, 1990.

Please send us written acknowledgement that effective March 26, 1990, the State recognizes Bond #400HU5748 of the St. Paul Fire & Marine Insurance Company as the bond protecting its interest in the captioned mining property, and that the State releases Bond #131808 of Seaboard Surety Company from any liability subsequent to March 26, 1990.

Sincerely,


Gary Manville, CPCU
Surety Manager

ks



649 EAST SOUTH TEMPLE, P.O. BOX 58139, SALT LAKE CITY, UTAH 84158-0139

Telephone: (801) 531-1234 • Easylink: (USA) 62879947 • TWX: (Internat'l.) 5101004903 • Fax: (801) 531-6117

EXHIBIT B

MR FORM 5

February 1990
(Noncoal)

Bond Number _____
Permit Number M/045/006
Mine Name Fivemile Pass

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

THE MINED LAND RECLAMATION ACT

SURETY BOND

The undersigned Interstate Brick Company
as Principal, and St. Paul Fire and Marine Insurance Company
as Surety Company, hereby jointly and severally bind ourselves, our heirs,
administrators, executors, successors, and assigns unto the State of Utah,
Division of Oil, Gas and Mining (Division) in the penal sum of Fifty Two Thousand
Five Hundred and No/dollars (\$ 52,500.00)).

The Principal estimated in the Mining and Reclamation Plan approved by the
Division on the 23rd day of June, 19 89, that 71
acres of land will be disturbed by this mining operation in the State of Utah.

Obligations guaranteed by this performance bond shall be in effect for the
following described lands: _____
(see copy of description from attached page)

When the Division has determined that the Principal has satisfactorily
reclaimed the above-mentioned lands affected by mining in accordance with the
approved Mining and Reclamation Plan and has faithfully performed all
requirements of the Mined Land Reclamation Act, and complied with the Rules
and Regulations adopted in accordance therewith, then this obligation shall be
void; otherwise it shall remain in full force and effect until the reclamation
is completed as outlined in the approved Mining and Reclamation Plan.

If the approved plan provides for reclamation of the land affected on a
piecemeal or cyclic basis, and the land is reclaimed in accordance with such
plan, then this bond may be reduced periodically.

In the converse, if the plan provides for a gradual increase in the area
of the land affected or increased reclamation work, then this bond may
accordingly be increased with the written approval of the Surety Company.

THIS BOND IS REPLACING BOND 131808 ISSUED IN SEABOARD SURETY.

This bond may be cancelled by the Surety Company after ninety (90) days following receipt by the Division and the Principal of written notice of such cancellation. The Surety Company's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that the Surety Company will retain liability for any outstanding reclamation obligation of the Principal existing prior to the termination of the Bond.

The Surety Company and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses which the Division may sustain as a result of the Principal's failure to comply with the condition(s) of the obligation.

The Surety Company will give prompt notice to the Principal and to the Division of any notice received or action filed alleging the insolvency or bankruptcy of the Surety Company, or alleging any violations or regulatory requirements which could result in suspension or revocation of the Surety Company's license to do business.

Dated this 26th day of March, 1990.

State of Utah
Board of Oil, Gas and Mining

Gregory P. Williams, Chairman

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

Date March 26, 1990

Interstate Brick Company
Principal (Permittee)

By: Nick Kelangas

Title: CHIEF FINANCIAL OFFICER

Date March 26, 1990

St. Paul Fire and Marine Insurance Company
Surety Company

By: Gary W. Manville

Title: Gary W. Manville Attorney-in-Fact

APPROVED AS TO FORM:

By: _____
Assistant Attorney General

NOTE: Where one signs by virtue of Power of Attorney for a Surety Company, such Power of Attorney must be filed with this bond. If the Operator is a corporation, the bond shall be executed by its duly authorized officer.

ML#28072: NW1/4, SW1/4; E1/2, SW1/4; W1/2, SE1/4, Section 32,
T6S, R3W, SLBM. 200 acres.

Sterling Group: portions of Sections 4, 5, T7S, R3W, SLBM.
103.766 acres.

Little Rowena Group: portions of Section 4, T7S, R3W, SLBM.
82.563 acres.

Clay Reserves #4,5,6,7: portions of Section 5, T7S, R3W, SLBM.
80 acres.

AFFIDAVIT OF QUALIFICATION

Gary W. Manville, being first duly sworn, on oath deposes and says that he/she is the (officer or agent) Attorney-in-Fact of said Surety Company, and that he/she is duly authorized to execute and deliver the foregoing obligations; that said Surety Company is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertakings and obligations.

Signed: _____

Surety Company Officer

Title: Attorney-in-Fact

Subscribed and sworn to before me this 26th day of March, 1990.

Sharron Rushton
Sharron Rushton

Notary Public
Notary Public

My Commission Expires:

July 1, _____, 1991.